UNITED NATIONS **DP**

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1998/17/Add.1 (Part III)*
8 April 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 8 of the provisional agenda
UNDP

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1997 AND RELATED MATTERS

Addendum

MAIN PROGRAMME RECORD

UNDP IN ASIA AND THE PACIFIC

SUMMARY

The present document provides summary highlights of UNDP work in the Asia and Pacific region in 1997 and of future challenges that UNDP would like to bring to the attention of the Executive Board. The report builds on and complements the introduction to the annual report of the Administrator for 1997 (DP/1998/17) and the other addenda, particularly addenda 2 and 3.

* The main programme record for 1997 consists of five parts: Part I - UNDP in Africa; Part II - UNDP in the Arab States; Part III - UNDP in Asia and the Pacific; Part IV - UNDP in Europe and the Commonwealth of Independent States; and Part V - UNDP in Latin America and the Caribbean.

98-10324 (E) 050598

/...

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 3	3
II.	HIGHLIGHTS OF 1997 ACHIEVEMENTS	4 - 39	4
	A. Poverty eradication	4 - 15	4
	B. Governance and support to countries in special development situations	16 - 26	6
	C. Gender equality and the advancement of women	27 - 28	9
	D. Environmental protection	29 - 33	9
	E. Management issues	34 - 39	10
III.	KEY CHALLENGES AND PLANS FOR 1998	40	11

I. INTRODUCTION

1. The year 1997 was marked by many significant economic, environmental, and political events and trends that affected large numbers of people in the region and presented difficult challenges to promoting sustainable human development (SHD). A number of countries continued to show positive trends in the areas of poverty alleviation and sustainable development in the first half of the year. However, rapid globalization and the trend towards more open, market-oriented economic policies have resulted in both economic growth and widening income disparities within and among the countries of the region. Rapid globalization, accompanied by weak oversight of domestic investment and financial markets, contributed to the financial crisis that began in South-East Asia in July 1997, which, in turn, set off a series of economic reverberations within the region and globally. The subsequent stalling of overall rapid rates of economic growth in the countries of South-East and East Asia has left hundreds of thousands of people to grapple with a dramatic drop in real purchasing power, growing unemployment and diminished prospects for sources of income in the short and medium term. Similarly, the forest fires in Indonesia had a major environmental impact on South-East Asia with serious negative implications on the health and sustainable livelihoods of the affected population. The El Niño weather pattern and other natural disasters have had a devastating effect in many countries. New and ongoing political conflicts in the entire region also had significant repercussions in 1997.

2. The Regional Bureau for Asia and the Pacific (RBAP) has responded to the above-mentioned changing conditions and development demands by promoting more equitable socio-economic conditions in four central areas of support - poverty alleviation; effective, efficient governance with strong mechanisms for accountability; the advancement of women; and environmental protection and natural resource management. In assisting countries to address these development concerns in an integrated way within current country and regional programmes, UNDP has carried out an unprecedented level of intensive consultations with representatives of Governments, non-governmental organizations (NGOs), the private sector, academia, and other development partners in the region.

3. In 1997, Governments and communities in the Asia and Pacific region sought the assistance of UNDP, particularly in the areas of poverty alleviation, public sector reform and natural resource management. Special emphasis has been placed on promoting an integrated approach to addressing these issues, with underlying governance, environmental and gender concerns comprising the foremost factors in both the analysis and response. Through the United Nations resident coordinators in the region, UNDP has provided support for the strategic planning of United Nations-system development activities at the country level; aid coordination; the fostering of productive network arrangements across the region; and the facilitation of subregional and intercountry cooperation.

II. HIGHLIGHTS OF 1997 ACHIEVEMENTS

A. Poverty eradication

4. In response to the Asian financial crisis, UNDP has assisted Thailand and Indonesia in carrying out national responses to ensure that the crisis does not cripple long-term economic growth and undermine national human development achievements. UNDP has worked to ensure that the Governments of the two countries have the full range of development policy and strategy options available to help them address the development challenges generated by the crisis. In particular, UNDP has concentrated on policy guidance and programme support by: engaging government officials, civil society organizations, the private sector and other development partners in dialogue on the social and economic implications of the crisis and possible recovery strategies; establishing a mechanism through which relevant policy advice and realistic recovery scenarios may be rapidly identified, analysed and incorporated into national policy agendas; and reorienting UNDP programme activities to take into account the implications and adverse impacts of the crisis, especially with regard to the poor. In Malaysia, UNDP is supporting the Government in undertaking a study on globalization and policy implications on trade, services, and financial sector liberalization.

5. All countries in the region, except for Afghanistan and the Democratic People's Republic of Korea, have prepared or are currently preparing national human development reports (NHDRs). The UNDP-supported production of NHDRs has helped to stimulate national debate on poverty and specific human development issues, and has provided policy makers with up-to-date indicators and analytical tools by which to assess and formulate development policies appropriate to the needs of each country. For example, the NHDRs released at the end of 1997 in Cambodia, Mongolia and the Philippines initiated national discussions on human development issues focused on poverty, the impact of economic transition on people's socio-economic well-being, and the roles and conditions of women in society, respectively. Moreover, the Government of Cambodia has taken up the challenge to use the data and analysis in their report to develop a major national poverty programme. The Government of India has taken the concept of the NHDR a step further by preparing state human development reports (SHDRs). UNDP is now supporting the production of an SHDR for the State of Rajasthan. Four other Indian states have also requested such support.

6. In Thailand, UNDP oversaw the reorientation of several fifth-cycle regional programmes to address more directly poverty alleviation and SHD as primary goals, including the Transport and Communications Programme, which addresses participatory rural infrastructure and non-motorized urban transport planning, and the Programme on Asian Cooperation on Energy and the Environment, which focuses on public participation in social and environmental impact assessments and developing community-based electricity and income-generation schemes. The Programmes have demonstrated concrete improvements in terms of SHD focus and impact.

7. Under the UNDP-supported Cambodian Area Rehabilitation and Regeneration Project (CARERE), the national, interministerial Seila Task Force (STF) was formally established, by decree of the Royal Government of Cambodia, to consider

the policy implications of a programme for decentralized governance and rural development in Cambodia. The creation of the STF reflects increased interest in the SEILA programme at the national level, and the commitment of CARERE provincial counterparts. CARERE remains the major source of investment funding in key development sectors, including agriculture, health, and education.

8. The UNDP country office in Fiji assisted the Solomon Islands' Ministry of National Planning and Development to address external and domestic debt arrears and widespread unemployment. Assistance included: reviewing the Government's proposed Policy and Structural Reform Programme; assessing the civil service and other reform issues; and drafting a proposal for a medium-term development plan.

9. In Viet Nam, based on a proposal made by UNDP on behalf of the United Nations country team, the 20/20 compact for the provision of basic social services was formally adopted at the Consultative Group Meeting for Viet Nam, held in Tokyo, Japan, in December 1997. In preparation for a follow-up meeting to the International Meeting on the 20/20 Initiative, UNDP, the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) are supporting a study on basic social services in Viet Nam.

10. The Inter-Agency Task Force on United Nations Conference Follow-up in Samoa brings together UNDP, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, and the offices of UNICEF and UNFPA, which are based in Suva, Fiji. In October 1997, the joint Inter-Agency Initiative on Poverty Alleviation published a report on the existing situation of malnutrition in Samoa. In December 1997, a meeting of the heads of government departments and United Nations system agencies on nutrition issues in Samoa was convened to review the report's recommendations and to discuss the next steps towards finalizing the National Plan of Action on Nutrition for Samoa. As part of a UNDP-supported project in Mongolia for the development of national water, sanitation and hygiene education for the twenty-first century, 15 wells were drilled in two provinces to provide access to clean water. UNDP and the Government of Mongolia are also collaborating on developing a national water and sanitation strategy.

11. The second Asia-Africa Cooperation Forum, hosted by the Government of Thailand, was held in June 1997. The Forum convened senior officials from 55 African and Asian countries; discussions focused on capacity-building, sustainable agricultural development and food security, and private sector development. The participants adopted the Bangkok Statement, which emphasized the countries' continued commitment to furthering Asian-African cooperation and a new triangular modality of South-South cooperation supported by a third party.

12. In Pakistan, UNDP, in collaboration with the officials in Kashmir, launched a multisectoral community-based programme focused on poverty eradication. At the end of 1997, the UNDP and the International Fund for Agricultural Development (IFAD)-supported component had organized 475 Community Development Groups (CDGs) with a total membership of 12,365 people. Two hundred and seven of these CDGs are women's groups with a total membership of 5,534.

13. UNDP continues to provide significant support to micro-credit and micro-finance initiatives in the region. Under the micro-credit component of a UNDP-supported programme in Tibet Autonomous Region of China, 163 poor families have received small loans. The outcome was the development of successful income-generation activities and a 100 per cent repayment rate. In Yunnan Province, China, 1,900 poor households were organized into self-help groups; in Yilong, China, 2,500 poor households were organized into self-help groups; women comprised 94 per cent of the membership of these groups. A total of 1,603,000 yuan was disbursed, with a repayment rate of 98 per cent. A key project in the UNDP-supported poverty alleviation programme in Myanmar facilitates access of poor communities to micro-credit and provides small-business support services.

Jobs and sustainable livelihoods

14. Globalization has brought increasing competition to Sri Lanka's relatively small manufacturing sector. To enhance the competitiveness of small- and medium-scale industry, a UNDP/United Nations Industrial Development Organization (UNIDO) project trained 25 executives from six national institutions in the public and private sectors in industrial project appraisal, using the UNIDO Computer Model for Feasibility Analysis and Reporting (COMFAR). COMFAR enhanced capacities to prepare rapid and accurate project feasibility reports to make sound investment decisions for industrial development.

15. In Bhutan under the UNDP-supported Cottage and Small- and Medium-scale Industries Development Programme, 118 women were trained in tailoring, weaving and vegetable dyeing. As a result, the graduates of the courses either started their own businesses in these trades or found other income-generating employment opportunities. Following the successful jute diversification of a UNDP-supported National Jute Development Programme in India in its initial years, the Programme extended its activities to an even wider constituency of small entrepreneurs in the non-formal sector in 1997. Fifty-four entrepreneurs have been assisted with an investment of over 100 million rupees, providing employment to over 2,500 persons. In addition, grants were given to over 100 NGOs, which generated employment for over 5,000 women.

B. Governance and support to countries in special development situations

16. With the Parliamentary approval of local government bills in Bangladesh, country-wide elections at the union level were held. Under a project to strengthen the electoral process, UNDP provided support to the Election Commission, trained 382,000 election officials and polling agents, distributed training and voter education materials, and prepared media spots. For the first time, women are vying for three reserved seats in each Union through direct elections. In addition, the elections generated a large turnout of women voters.

17. In Nepal, two UNDP-supported decentralization support programmes, the Participatory District Development Programme and the Local Governance Programme, continue to enhance the planning and management capacities of locally-elected bodies in 40 of Nepal's 75 districts. Through social mobilization, the two

Programmes have succeeded in forming 632 self-governing community organizations, covering 17,289 households. Total savings amount to approximately $80,000 and are being used primarily for income-generating activities.

18. The Thailand-United Nations Collaborative Action Plan (Thai-UNCAP), launched in March 1997, represents a new partnership between Thai society and United Nations system agencies. Thai-UNCAP confirms the joint commitment of Thailand and the United Nations to work in full partnership towards the goals of Thailand's Eighth National Development Plan and people-centred development. RBAP is increasingly expanding its partnerships with NGOs and civil society organizations. As a result, UNDP policies and programmes in the region have become more relevant and sensitive to local needs. There is also greater outreach to communities, with programme funds reaching these groups more directly and efficiently.

19. A review of the United Nations Poverty Eradication and Community Empowerment (P.E.A.C.E.) Initiative in Afghanistan confirmed the operation's success, including the promotion of a democratic decision-making system at the grass-roots level; community empowerment towards sustainable rehabilitation and development; the introduction of livelihood options; and the formulation of a common United Nations system strategic approach to identify critical areas for further collaboration.

20. The UNDP Crisis Committee approved a total of $1.8 million for several initiatives in conflict areas in Sri Lanka, including support for the resettlement of 10,000 families affected by conflict; the establishment of Resettlement Offices; the resuscitation of community-based micro-credit schemes to provide employment opportunities for the most vulnerable households; and the rehabilitation of markets to stimulate the local economy. UNDP efforts to support resettlement are part of a joint United Nations system response to the Government's Emergency Resettlement and Rehabilitation Authority for the North, the government agency mandated to coordinate all assistance to northern conflict areas.

21. Together with other United Nations agencies, UNDP provided assistance to the Government of the Philippines, the Moro National Liberation Front (MNLF) and key actors in civil society in confidence-building measures to sustain peace in post-conflict areas. The project, which began in April 1997, includes a fact-finding and needs assessment component, followed by emergency and short-term assistance. United Nations system support was requested by the Government to provide basic development services to MNLF.

22. In Cambodia, the UNDP-supported Assistance to Demining Programme II (CMAC) cleared 2,043,184 square metres of land and destroyed 1,507 anti-personnel mines, 49 anti-tank mines and 3,477 unexploded ordnances (UXOs) in October and November 1997. In addition, 191 mine awareness courses were conducted, reaching approximately 28,000 villagers in 1997. In the Lao People's Democratic Republic, UNDP supported a survey on the effect of chemical defoliants on the people and environment as well as the destruction of over 40,000 UXOs. UNDP also trained 466 students - the training of indigenous UXO clearance personnel has been essential to increasing the country's self-sufficiency.

23. In response to the severe drought in the Democratic People's Republic of Korea, the United Nations system issued a 1997 Consolidated United Nations Inter-Agency Appeal. The Republic of Korea responded with a $10 million contribution, which included $1.2 million in heavy equipment for emergency repair of roads, bridges, and dykes in November 1997. UNDP facilitated the direct transfer of the equipment between the two parties, representing the first such assistance from the Republic of Korea to the Democratic People's Republic of Korea through UNDP. As part of the Rural Rehabilitation Investment Programme, IFAD approved a loan of $29.9 million to develop livestock and an emergency supply of agricultural inputs. In support of this loan, UNDP supported the training of the Democratic People's Republic of Korea's Agricultural Commission in project management, financial accounting and establishing transparent procurement and loan disbursement procedures. In October 1997, UNDP approved a further $2 million in emergency relief.

24. The single event that has had the greatest economic and social impact on Papua New Guinea in 1997 has been the drought caused by the El Niño weather pattern. Approximately 1,250,000 people or 25 per cent of the population needed emergency assistance. Following a government request to assist in donor coordination, UNDP continues to convene weekly donor meetings, maintain a database of evolving needs and coordinate emergency response accordingly.

25. In Indonesia, El Niño has caused the worst drought in 50 years, resulting in shortages of foodstocks and severe famine. UNDP, the Office of the Resident Coordinator, and the United Nations Disaster Assessment and Coordination (UNDAC) Team coordinated international emergency assistance in support of national authorities. The El Niño-delayed monsoons also worsened the effects of the heavy air pollution caused by large-scale forest fires in Indonesia. In response, a specialized UNDAC Team, established in Jakarta in September 1997, carried out independent needs assessments, identified immediate relief requirements, served as an information clearing house for the international community, and provided up-to-date situation reports. By the end of 1997, the UNDAC Team had mobilized and coordinated $1.2 million in cash contributions, and donors provided over $10 million in direct and in-kind contributions in meeting established needs. In response to heavy air pollution in Malaysia, UNDP also facilitated international aid coordination and initiated discussions on the preventative measures in the future.

26. In November 1997, a major typhoon struck Viet Nam, causing serious sea and river flooding in the Mekong Delta. The Government's Disaster Management Unit, previously established through a UNDP project, supported United Nations and donor relief operations by providing updated information on damage, a needs assessment and donor assistance. The Unit is currently linked electronically to over 50 provinces throughout Viet Nam and is able to obtain timely and reliable disaster-related information. Aside from providing $150,000 in emergency relief, UNDP mobilized an additional $460,000 for relief and rehabilitation efforts from several bilateral donors and the private sector.

C. Gender equality and the advancement of women

27. The Regional Network of Asia-Pacific Women Scientists for Sustainable and Equitable Development was launched in 1997. Through its efforts, programmes have been developed in the following areas: providing access to advanced technology to poor women; promoting sustainable livelihoods; environmental regeneration; and poverty eradication. The specific areas of intervention - biotechnology parks, renewable energy, green health and information technology - were identified by the network of women scientists. The programmes are managed directly by the network, with RBAP providing catalytic support.

28. In Fiji, UNDP continues to pursue its commitment towards the advancement of women and gender equality. A preparatory assistance programme for Tonga was agreed upon, and 25 per cent of programme resources have been allocated to a Gender Support Facility, which will strengthen national capacity to incorporate the advancement of women in national development policies.

D. Environmental protection

29. To address common concerns regarding biodiversity conservation and management in the Himalayan eco-region, six countries in the region - Bhutan, China, India, Myanmar, Nepal and Pakistan - are cooperating through the Himalayan Eco-regional Initiative. The Initiative responds to the threat posed to biodiversity in context of the region's increasing poverty, rapidly growing human population, and other consequences of rapid development. Broad-based in-country consultations were held in Islamabad, Pakistan, in December 1997.

30. The Government of Maldives has prepared its second National Environment Action Plan (NEAP), which provides a comprehensive framework for sustainable and sound environmental management and development, emphasizing priority areas such as biodiversity, climate change, environmental health and coastal erosion. The NEAP resulted from a UNDP-supported nationally-driven participatory process.

31. In the Philippines, under the UNDP-assisted project on environment and natural resources accounting and application, the United Nations System of Integrated Environmental and Economic Accounts was piloted. In combination with a related United States Agency for International Development initiative, this resulted in the institutionalization of environment and natural resources accounting and application as a satellite account to the Philippine System of National Accounts, effective March 1997, with the signing of a Presidential Executive Order.

32. In January 1997, a government-owned bank of the Philippines forged a partnership with UNDP in the joint financing of community-based projects to promote sustainable livelihoods and environmental regeneration in the countryside. UNDP and the Global Environment Facility Small Grants Programme will finance environmental projects through beneficiary grants, and the government bank will finance livelihood and income-generating loans. The UNDP country office also initiated a $1.5 million programme to increase private sector participation in environmental management initiatives. The programme develops a Philippine Business Agenda 21 and encourages environmental

entrepreneurship to minimize pollution and the adoption of environmental management systems by small- and medium-sized enterprises.

33. In the Islamic Republic of Iran, together with Montreal Protocol and UNIDO, UNDP has supported a number of refrigerator manufacturers in their efforts to convert to ozone-friendly production. The first such company commenced production of non-chlorofluorocarbon products in October 1997.

E. Management issues

34. In 1997, 26 country cooperation frameworks (CCFs) for countries in the region were approved by the Executive Board, bringing the total number of CCF approvals to 30 for the 1995-1997 period. The first regional cooperation framework for Asia and the Pacific was also approved by the Board at its third regular session 1997.

35. UNDP Asia and the Pacific has continued to strengthen its resource management and mobilization efforts. The Financial Resource Management System tracks and records on a quarterly basis the approvals of core and non-core resources, significantly enhancing management oversight of UNDP resource performance and efficiency. In summary, non-core resources approved for 1997 totalled $171.3 million, representing a 71 per cent increase over 1996. Of the non-core resources, 18 per cent came from government cost-sharing, 15 per cent from third-party cost-sharing, 36 per cent from the Global Environment Facility and Montreal Protocol; 14 per cent from Trust Funds; and 10 per cent from UNDP-administered funds. Eleven country offices leveraged over $1 of non-core resources for every $1 of core resources in 1997. The countries with the highest rate of 1997 non-core resource approvals in the region are China, Cambodia, the Lao People's Democratic Republic, Pakistan and the Philippines.

36. Approval of core resources for the year stood at 94.5 per cent of peak budget targets at the end of 1997. Target for resource assignment from the core (TRAC) line 1.1.2 resources were allocated in accordance with Executive Board decision 95/23 and a careful assessment of each country office's delivery record and absorptive capacities. As a result, priority for resource allocations was given to least developed and low-income countries, rewarded efficiency, and encouraged high-impact SHD programmes. By the end of 1997, 85 per cent of the 1997 TRAC line 1.1.3 budget for countries in special circumstances in the region had been delivered, particularly for activities in Afghanistan, Cambodia, and the Democratic People's Republic of Korea.

37. All 24 RBAP country offices have signed interim compacts with the Regional Director of RBAP for 1998, defining in concrete terms country offices' key commitments and areas of priority action in 1998. To ensure a full dialogue and agreement on the implementation of the change management 2001 proposals, two meetings, including RBAP resident representatives and senior national officers, were held in Malaysia and India to discuss specific actions and expected results. At these meetings, the country offices adopted 10 guiding principles to support more efficient and effective delivery of quality services. These principles are reflected in country office management plans and compacts for 1998.

38. The pilot phase of the first two UNDP Subregional Resource Facilities (SURFs), based in Islamabad, Pakistan, and Bangkok, Thailand, respectively, were evaluated in October 1997. An independent evaluation team found the facilities to be demand-driven, flexibly organized, highly responsive and superbly networked in providing referral services, promoting networking, supporting country offices in fielding strategic missions and documenting and sharing best practices.

39. Support to national execution is vital to achieving programme results in a cost-effective, efficient, transparent and accountable manner. In the Lao People's Democratic Republic, UNDP established a National Execution Support Unit to assist the country office and national executing agencies. In Nepal, a national execution system with guidelines for high-quality management and accountability in programmes is now fully operational.

III. KEY CHALLENGES AND PLANS FOR 1998

40. In 1998, RBAP will give special attention to:

(a) Achieving concrete programme results as measured by the depth of coverage and impact on policy, particularly in the areas of poverty eradication, governance, national human development reports, gender mainstreaming and environment and natural resource management;

(b) Meeting annual delivery targets for the region by the end of December 1998, and strengthening development partnerships in terms of an increased number of joint initiatives with regional partners on major programmes and SHD advocacy and greater collaboration with NGOs and civil society groups in country and regional programmes;

(c) A greater focus on, and rapid response mechanisms in place, to meet the needs of countries in special development situations, including the countries of South-East and East Asia facing financial crises, and strengthening the coverage and technical cooperation services provided by the SURFs in the region;

(d) Leveraging funds for SHD with careful attention to the management and oversight of these funds, in line with Executive Board decision 98/2. Particular emphasis will be placed on furthering cost-sharing and multi-bilateral opportunities, to deepen current initiatives in support of better governance, poverty alleviation and environmental sustainability;

(e) Ensuring an increased range and number of United Nations system initiatives in support of national and regional programmes, including the undertaking of United Nations Development Assistance Frameworks in more countries of the region in 1998;

(f) Integrating monitoring and management systems, as mentioned above, to ensure greater overall oversight and accountability, with full feedback provided to all stakeholders;

(g) Ensuring full Internet connectivity and Intranet capabilities for all country offices in the Asia and Pacific region by mid-1998, to ensure that all RBAP country offices are linked, exchange full information, learn from each other's experiences, and have full access to current development knowledge and expertise as needed;

(h) Promoting learning and staff empowerment, with a special focus on national officers' skills development and knowledge-sharing in the region; balancing the gender profile of professional staff in RBAP, especially at senior and middle management levels; and continuing the rigorous application of the performance appraisal review process, including timely feedback to staff throughout the year. In addition, special emphasis will be placed on teamwork, and ensuring coherence between the processes of work planning, appraisal and personnel management in the Bureau.